

810-3-25-.14 Alabama Grantor Trust Reporting Requirements. **(NEW RULE)**

(1) For tax years beginning after December 31, 2004, grantor trusts, as described in 26 U.S.C. § 671, have an Alabama return filing requirement specified by §§40-18-25 (g) and 40-18-29, Code of Alabama 1975.

(2) Grantor trusts, as described in 26 U.S.C. §671, required to comply with U.S. Treasury Department Regulation §1.671-4(a) must file returns as prescribed by the Alabama Department of Revenue in accordance with §40-18-29, Code of Alabama 1975.

(a) The information return for a grantor trust will require: the sources and amounts of income for the trust; the types and amounts of deductions for the trust; an identification of the beneficiaries or owners with the applicable social security numbers or federal employer identification numbers; the amount of income reportable on the federal income tax return for the same tax year for each beneficiary or owner; and, the amount of deductions to be claimed on the federal income tax return for the same tax year for each beneficiary or owner

(3) Grantor trusts, as described in 26 U.S.C. §671, allowed to use the simplified filing methods specified in U.S. Treasury Department Regulation §1.671-4(b) and which comply with the simplified filing methods of the regulation, are deemed to have complied with the filing requirements of §§40-18-25(g) and 40-18-29, Code of Alabama 1975.

(a) The grantor or other person treated as the owner of the grantor trust must report the income and the deductions of the grantor trust on its Alabama income tax return, in accordance with Title 40, Chapter 18, Code of Alabama 1975.

(b) The grantor or other person treated as the owner of the grantor trust must disclose on its Alabama income tax return:

1. The name of the grantor trust;
2. The total income from the grantor trust that was reported on the federal income tax return of the grantor or owner for the same tax year as the Alabama return; and,
3. The total deductions from the grantor trust that were claimed on the federal income tax return of the grantor or owner for the same tax year as the Alabama return.

Author: Voncile Catledge, Joe Garrett, and Ed Cutter, CPA  
Authority: §40-2A-7(a)(5), Code of Alabama 1975

History: